

Message Text

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PAGE 01 STATE 111831
ORIGIN EA-12

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NSCE-00 SS-15 /060 R

DRAFTED BY EA/K:RGRICH, JR.:JCM
APPROVED BY EA/K - MR. RICH
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FM SECSTATE WASHDC
TO AMEMBASSY SEOUL IMMEDIATE

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E.O. 11652: N/A

TAGS: MARR, KS, US

SUBJECT: HIRC REPORTS OUT EQUIPMENT TRANSFER AUTHORITY

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1. THE HOUSE INTERNATIONAL RELATIONS COMMITTEE MAY 2
IN ITS MARK UP OF THE INTERNATIONAL SECURITY ASSISTANCE
ACT OF 1978 ADOPTED THE FOLLOWING AMENDMENT AUTHORIZING
TRANSFER OF MILITARY EQUIPMENT TO THE ROK IN CONJUNCTION
WITH THE WITHDRAWAL OF THE U.S. GROUND COMBAT FORCES FROM
KOREA.

2. BEGIN TEXT:

SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION
OF THE ARMED FORCES OF THE REPUBLIC OF KOREA

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SEC. 14. (A)(1) THE PRESIDENT IS AUTHORIZED, UNTIL
DECEMBER 31, 1982:

(A) TO TRANSFER WITHOUT REIMBRUSEMENT, TO THE REPUBLIC
OF KOREA, IN CONJUNCTION WITH THE WITHDRAWAL OF THE 2ND
INFANTRY DIVISION AND SUPPORT FORCES FROM KOREA, SUCH
UNITED STATES GOVERNMENT-OWNED DEFENSE ARTICLES AS HE MAY

DETERMINE WHICH ARE LOCATED IN KOREA IN THE CUSTODY OF
UNITS OF THE UNITED STATES ARMY SCHEDULED TO DEPART FROM
KOREA: AND

(B) TO FURNISH TO THE REPUBLIC OF KOREA, WITHOUT
REIMBURSEMENT, DEFENSE SERVICES (INCLUDING TECHNICAL AND
OPERATIONAL TRAINING) IN KOREA DIRECTLY RELATED TO THE
UNITED STATES GOVERNMENT-OWNED DEFENSE ARTICLES TRANS-
FERRED TO THE REPUBLIC OF KOREA UNDER THIS SUBSECTION.

(2) ANY TRANSFER UNDER THE AUTHORITY OF THIS SECTION
SHALL BE MADE IN ACCORDANCE WITH ALL THE TERMS AND
CONDITIONS OF THE FOREIGN ASSISTANCE ACT OF 1961
APPLICABLE TO THE FURNISHING OF DEFENSE ARTICLES AND
DEFENSE SERVICES UNDER CHAPTER 2 OF PART II OF THAT ACT,
EXCEPT THAT NO FUNDS HERETOFORE OR HEREAFTER APPROPRIATED
UNDER THAT ACT SHALL BE AVAILABLE TO REIMBURSE ANY AGENCY
OF THE UNITED STATES GOVERNMENT FOR ANY SUCH TRANSFER OR
RELATED SERVICES.

(B) IN ORDER THAT TRANSFERS OF DEFENSE ARTICLES
UNDER SUBSECTION (A) WILL NOT CAUSE SIGNIFICANT ADVERSE
IMPACT ON THE READINESS OF THE ARMED FORCES OF THE UNITED
STATES, THE PRESIDENT IS AUTHORIZED, IN LIEU OF SUCH
TRANSFERS, TO TRANSFER ADDITIONAL DEFENSE ARTICLES FROM
THE STOCKS OF THE DEPARTMENT OF DEFENSE, WHEREVER
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LOCATED, TO THE REPUBLIC OF KOREA TO COMPENSATE FOR THE
MILITARY CAPABILITY OF DEFENSE ARTICLES WITHDRAWN FROM
KOREA IN ANY CASE WHERE HE DETERMINES THAT:

(1) THE TRANSFER OF SPECIFIC DEFENSE ARTICLES
LOCATED IN KOREA WOULD HAVE A SIGNIFICANT ADVERSE IMPACT
ON THE READINESS OF THE UNITED STATES ARMED FORCES;

(2) THE DEFENSE CAPABILITY PROVIDED BY THOSE DEFENSE
ARTICLES IS NEEDED BY THE ARMED FORCES OF THE REPUBLIC OF
KOREA IN ORDER TO MAINTAIN THE MILITARY BALANCE ON
THE KOREAN PENINSULA; AND

(3) A COMPARABLE DEFENSE CAPABILITY COULD BE
PROVIDED BY LESS ADVANCED DEFENSE ARTICLES IN THE STOCKS
OF THE DEPARTMENT OF DEFENSE WHICH COULD BE TRANSFERRED
WITHOUT SIGNIFICANT ADVERSE IMPACT ON THE READINESS OF
THE UNITED STATES ARMED FORCES. THE PRESIDENT SHALL
REPORT TO THE CONGRESS EACH DETERMINATION MADE UNDER THIS
SUBSECTION PRIOR TO THE TRANSFER OF THE DEFENSE ARTICLES
DESCRIBED IN SUCH DETERMINATION.

(C) THE TOTAL VALUE (AS DEFINED IN SECTION 644(M)
OF THE FOREIGN ASSISTANCE ACT OF 1961) OF DEFENSE

ARTICLES TRANSFERRED AND DEFENSE SERVICES FURNISHED TO
THE REPUBLIC OF KOREA UNDER THIS SECTION MAY NOT EXCEED
\$800,000,000.

(D) THE PRESIDENT SHALL TRANSMIT TO THE CONGRESS,
TOGETHER WITH THE PRESENTATION MATERIALS FOR SECURITY
ASSISTANCE PROGRAMS PROPOSED FOR EACH FISCAL YEAR
THROUGH AND INCLUDING THE FISCAL YEAR 1983, A REPORT
DESCRIBING THE TYPES, QUANTITIES, AND VALUE OF DEFENSE
ARTICLES FURNISHED OR INTENDED TO BE FURNISHED TO THE
REPUBLIC OF KOREA UNDER THIS SECTION. THIS REPORT SHALL
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ALSO INCLUDE ASSESSMENTS OF THE MILITARY BALANCE ON
THE KOREAN PENINSULA, THE IMPACT OF WITHDRAWAL ON THE
MILITARY BALANCE, THE ADEQUACY OF UNITED STATES MILITARY
ASSISTANCE, THE IMPACT OF WITHDRAWAL ON THE UNITED
NATIONS AND THE REPUBLIC OF KOREA COMMAND STRUCTURE,
REPUBLIC OF KOREA DEFENSIVE FORTIFICATIONS AND DEFENSE
INDUSTRY DEVELOPMENTS, THE UNITED STATES REINFORCEMENT
CAPABILITY, AND THE PROGRESS OF DIPLOMATIC EFFORTS TO
REDUCE TENSIONS IN THE AREA. END TEXT.

3. THERE IS ONE UNCERTAINTY IN ABOVE TEXT WHICH WE
ARE ATTEMPTING TO CLARIFY WITH COMMITTEE COUNSEL.
SECTION 14(C) WAS ADDED TO THE BASIC AMENDMENT BY
CONGRESSMAN SOLARZ AND AMENDED FURTHER IN LAST MOMENTS
BEFORE COMMITTEE ADJOURNED FOR A ROLL CALL. VERSION
IN PARA TWO ABOVE IS THAT UNDERSTOOD AS PROBABLE, BUT
IT IS POSSIBLE THAT THE REFERENCE TO SERVICES IS MISSING.
IF THE REFERENCE TO DEFENSE SERVICES IS INCLUDED, WE
EXPECT SPECIFICALLY TO OPPOSE THIS IN DISCUSSION WITH
SENATE STAFF ON THE GROUNDS THAT THE ACCOUNTING
PROBLEMS AND MANPOWER EFFORT TO QUANTIFY AND COST THE
ON-THE-JOB TRAINING ENVISAGED WOULD BE EXCESSIVE. IN
LAST MINUTE CONSULTATIONS STATE AND DEFENSE HAD AGREED
TO SOLARZ DESIRE TO PLACE A MONETARY CEILING ON THE
EQUIPMENT TRANSFER AUTHORITY, ALTHOUGH WE CONTINUED TO
EXPRESS OUR PREFERENCE FOR NO CEILING. IN ANY CASE,
THE REFERENCE TO DEFENSE SERVICES SLIPPED IN UNANNOUNCED.

4. AMENDMENT ADOPTED BY HIRC DIFFERS FROM THAT SUB-
MITTED BY THE PRESIDENT IN ONLY THREE RESPECTS. ANNUAL
REPORT TO THE CONGRESS IS EXPANDED TO INCLUDE ASSESSMENTS
OF THE MILITARY BALANCE, IMPACT OF WITHDRAWALS, ADEQUACY
OF U.S. MILITARY ASSISTANCE, WITHDRAWAL IMPACT ON THE
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UNC AND ROK COMMAND STRUCTURE, DEFENSE INDUSTRY DEVELOPMENTS, REINFORCEMENT CAPABILITY, AND DIPLOMATIC EFFORTS TO REDUCE TENSIONS. THIS SECTION WAS INCORPORATED BY CHAIRMAN ZABLOCKI BEFORE HIS INTRODUCTION OF THE BASIC

AMENDMENT AND MAY REFLECT CONSULTATION WITH SENATE SIDE AS WELL.

5. SECTION 14(A)(1)(A) WAS MODIFIED AT INITIATIVE OF CONGRESSMAN SOLARZ TO SPECIFY CLEARLY THAT THE TRANSFERS WERE TO BE CARRIED OUT IN CONJUNCTION WITH THE WITHDRAWAL OF THE U.S. FORCES. SECTION (C) WAS ALSO A SOLARZ INITIATIVE.

6. THIS COMPLETES COMMITTEE MARK-UP OF KOREA PORTION OF THE BILL, WHICH ALSO INCLUDES \$275 MILLION FMS. BILL SCHEDULED FOR COMPLETION AND REPORTING OUT OF COMMITTEE MAY 4. THERE IS NO DATE SCHEDULED YET FOR FLOOR CONSIDERATION. VANCE

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INFO OCT-01 ISO-00 /013 R

66011
DRAFTED BY EA/K:DBLAKEMORE
APPROVED BY EA/K-MR RICH
-----009207 031735Z /64
R 031745Z MAY 78
FM SECSTATE WASHDC
INFO AMEMBASSY MANILA 0000

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FOR HOLBROOKE AND OAKLEY

FOLLOWING REPEAT STATE 111831 ACTION SEOUL MAY 2.

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E.O. 11652: N/A

TAGS: MARR, KS, US

SUBJECT: HIRC REPORTS OUT EQUIPMENT TRANSFER AUTHORITY

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1. THE HOUSE INTERNATIONAL RELATIONS COMMITTEE MAY 2 IN ITS MARK UP OF THE INTERNATIONAL SECURITY ASSISTANCE ACT OF 1978 ADOPTED THE FOLLOWING AMENDMENT AUTHORIZING TRANSFER OF MILITARY EQUIPMENT TO THE ROK IN CONJUNCTION WITH THE WITHDRAWAL OF THE U.S. GROUND COMBAT FORCES FROM KOREA.

2. BEGIN TEXT:

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SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION OF THE ARMED FORCES OF THE REPUBLIC OF KOREA

SEC. 14. (A)(1) THE PRESIDENT IS AUTHORIZED, UNTIL DECEMBER 31, 1982:

(A) TO TRANSFER WITHOUT REIMBRUSEMENT, TO THE REPUBLIC OF KOREA, IN CONJUNCTION WITH THE WITHDRAWAL OF THE 2ND INFANTRY DIVISION AND SUPPORT FORCES FROM KOREA, SUCH UNITED STATES GOVERNMENT-OWNED DEFENSE ARTICLES AS HE MAY DETERMINE WHICH ARE LOCATED IN KOREA IN THE CUSTODY OF UNITS OF THE UNITED STATES ARMY SCHEDULED TO DEPART FROM KOREA: AND

(B) TO FURNISH TO THE REPUBLIC OF KOREA, WITHOUT REIMBURSEMENT, DEFENSE SERVICES (INCLUDING TECHNICAL AND OPERATIONAL TRAINING) IN KOREA DIRECTLY RELATED TO THE UNITED STATES GOVERNMENT-OWNED DEFENSE ARTICLES TRANSFERRED TO THE REPUBLIC OF KOREA UNDER THIS SUBSECTION.

(2) ANY TRANSFER UNDER THE AUTHORITY OF THIS SECTION SHALL BE MADE IN ACCORDANCE WITH ALL THE TERMS AND CONDITIONS OF THE FOREIGN ASSISTANCE ACT OF 1961 APPLICABLE TO THE FURNISHING OF DEFENSE ARTICLES AND DEFENSE SERVICES UNDER CHAPTER 2 OF PART II OF THAT ACT, EXCEPT THAT NO FUNDS HERETOFORE OR HEREAFTER APPROPRIATED UNDER THAT ACT SHALL BE AVAILABLE TO REIMBURSE ANY AGENCY OF THE UNITED STATES GOVERNMENT FOR ANY SUCH TRANSFER OR RELATED SERVICES.

(B) IN ORDER THAT TRANSFERS OF DEFENSE ARTICLES
UNDER SUBSECTION (A) WILL NOT CAUSE SIGNIFICANT ADVERSE
IMPACT ON THE READINESS OF THE ARMED FORCES OF THE UNITED
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STATES, THE PRESIDENT IS AUTHORIZED, IN LIEU OF SUCH
TRANSFERS, TO TRANSFER ADDITIONAL DEFENSE ARTICLES FROM
THE STOCKS OF THE DEPARTMENT OF DEFENSE, WHEREVER
LOCATED, TO THE REPUBLIC OF KOREA TO COMPENSATE FOR THE
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KOREA IN ANY CASE WHERE HE DETERMINES THAT:

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(2) THE DEFENSE CAPABILITY PROVIDED BY THOSE DEFENSE
ARTICLES IS NEEDED BY THE ARMED FORCES OF THE REPUBLIC OF
KOREA IN ORDER TO MAINTAIN THE MILITARY BALANCE ON
THE KOREAN PENINSULA; AND

(3) A COMPARABLE DEFENSE CAPABILITY COULD BE
PROVIDED BY LESS ADVANCED DEFENSE ARTICLES IN THE STOCKS
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WITHOUT SIGNIFICANT ADVERSE IMPACT ON THE READINESS OF
THE UNITED STATES ARMED FORCES. THE PRESIDENT SHALL
REPORT TO THE CONGRESS EACH DETERMINATION MADE UNDER THIS
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THROUGH AND INCLUDING THE FISCAL YEAR 1983, A REPORT
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DESCRIBING THE TYPES, QUANTITIES, AND VALUE OF DEFENSE
ARTICLES FURNISHED OR INTENDED TO BE FURNISHED TO THE

REPUBLIC OF KOREA UNDER THIS SECTION. THIS REPORT SHALL ALSO INCLUDE ASSESSMENTS OF THE MILITARY BALANCE ON THE KOREAN PENINSULA, THE IMPACT OF WITHDRAWAL ON THE MILITARY BALANCE, THE ADEQUACY OF UNITED STATES MILITARY ASSISTANCE, THE IMPACT OF WITHDRAWAL ON THE UNITED NATIONS AND THE REPUBLIC OF KOREA COMMAND STRUCTURE, REPUBLIC OF KOREA DEFENSIVE FORTIFICATIONS AND DEFENSE INDUSTRY DEVELOPMENTS, THE UNITED STATES REINFORCEMENT CAPABILITY, AND THE PROGRESS OF DIPLOMATIC EFFORTS TO REDUCE TENSIONS IN THE AREA. END TEXT.

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6. THIS COMPLETES COMMITTEE MARK-UP OF KOREA
PORTION OF THE BILL, WHICH ALSO INCLUDES \$275 MILLION
FMS. BILL SCHEDULED FOR COMPLETION AND REPORTING OUT OF
COMMITTEE MAY 4. THERE IS NO DATE SCHEDULED YET FOR
FLOOR CONSIDERATION. VANCE UNQUOTE VANCE

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SAS ID: 2514123
Secure: OPEN
Status: NATIVE
Subject: HIRC REPORTS OUT EQUIPMENT TRANSFER AUTHORITY -
TAGS: MARR, KS, US
To: SEOUL
Type: TE
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